



Registration of a Charge

Company Name: **MYSING DEVELOPMENT CAPITAL LIMITED**

Company Number: **11309993**



Received for filing in Electronic Format on the: **16/05/2023**

XC3OGB6J

Details of Charge

Date of creation: **10/05/2023**

Charge code: **1130 9993 0004**

Persons entitled: **HERITAGE SQUARE LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **BURGES SALMON LLP (AR06)**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11309993

Charge code: 1130 9993 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th May 2023 and created by MYSING DEVELOPMENT CAPITAL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th May 2023 .

Given at Companies House, Cardiff on 18th May 2023

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

SUPPLEMENTAL SHAREHOLDER SECURITY AGREEMENT

MYSING DEVELOPMENT CAPITAL LIMITED (1)

and

HERITAGE SQUARE LIMITED acting as Security Agent (2)

Ref: AR06/AE07
Borges Salmon LLP
www.borges-salmon.com
Tel: +44 (0)117 307 6962
Fax: +44 (0)117 902 4400

WORK\48414985v.1

**Borges
Salmon**

55296.51
Classification: Confidential

CONTENTS

Clause	Heading	Page
1	DEFINITIONS AND INTERPRETATION	1
2	CREATION OF SECURITY.....	5
3	LIABILITY OF THE CHARGOR AND SECURITY AGENT'S PROTECTIONS	7
4	REPRESENTATIONS	9
5	INFORMATION UNDERTAKINGS.....	13
6	UNDERTAKINGS.....	14
7	POWERS OF THE SECURITY AGENT	19
8	TAX GROSS-UP	20
9	WHEN SECURITY BECOMES ENFORCEABLE	20
10	ENFORCEMENT OF SECURITY	21
11	RECEIVER	23
12	POWERS OF RECEIVER	24
13	APPLICATION OF PROCEEDS	25
14	EXPENSES AND INDEMNITY.....	26
15	DELEGATION	26
16	FURTHER ASSURANCES	26
17	POWER OF ATTORNEY	27
18	MISCELLANEOUS.....	27
19	RELEASE	28
20	GOVERNING LAW.....	28
	Schedule 1 - Form of Notice.....	29
	Part A - Notice to Counterparty	29
	Part B - Acknowledgement of Counterparty	31

THIS DEED is dated 10 May 2023 and is made

BETWEEN:

- (1) **Mysing Development Capital Limited** a private limited company registered in England and Wales with registered number 11309993 and whose registered office address is at 9 Silkwood Park, Fryers Way, Wakefield, England, WF5 9TJ (the "**Chargor**"); and
- (2) **Heritage Square Limited** a private limited company registered in England and Wales with registered number 08364250 and whose registered office address is at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey, United Kingdom, KT13 OTS as security trustee for the Secured Parties (the "**Security Agent**").

BACKGROUND:

- (A) The Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Borrower means LOK Developments JV2 Limited (No. 10921649) whose registered office is at 9 Silkwood Park, Fryers Way, Wakefield, WF5 9TJ.

Charged Security means any Security constituted by or under any Charged Security Contract.

Charged Security Contract means

- (a) the legal charge over 21 Runnymede Road, Ponteland, Newcastle-upon-Tyne NE20 9HE given by Brian Morton in favour of The Chargor dated 28 June 2019;
- (b) the legal charge over Middleton Hall, Belford, Northumberland given by Brian Morton in favour of The Chargor dated 28th June 2019;
- (c) the legal charge over 21 Runnymede Road, Ponteland, Newcastle-upon-Tyne NE20 9HE given by Brian Morton in favour of The Chargor dated 15th May 2018;

- (d) the legal charge over Middleton Hall, Belford, Northumberland given by Brian Morton in favour of The Chargor dated 30th April 2018; and
- (e) any other document designated as such by the Security Agent and the Chargor.

Facility Agreement means the facility agreement dated 17 April 2020 as amended and restated on or about the date of this Deed and as further amended, varied or supplemented from time to time and made between (among others) the Borrower and the Security Agent.

Grantor means, in relation to any Charged Security Contract, the person who has granted the relevant Security in favour of the Chargor.

Morton Enforcement Proceeds means any amounts received or recovered by the Borrower or the Chargor out of the proceeds of sale of, or the enforcement of any Security held by Chargor over and in respect of, the following assets:

- (a) Middleton Hall, Belford NE70 7LF;
- (b) 21 Runymede Road, Ponteland, Newcastle upon Tyne NE20 9HE;
- (c) Mares Close Farmhouse, Mares Close, Seghill, Cramlington NE23 7EA; and
- (d) 373 Plessey Road, Blythe NE24 3LW.

Original Jurisdiction means, in relation to the Chargor, the jurisdiction under the laws of England and Wales of which the Chargor is incorporated as at the date of this Deed.

Party means a party to this Deed.

Rights means any Security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise.

Receiver means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under each Finance Document.

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Asset means any asset of the Chargor, which is, or is expressed to be, subject to any Security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Shares means all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor in the Borrower, including (but not limited to):

- (a) the shares described in Schedule 1 to this Deed and any further shares in the issued share capital of the Borrower legally or beneficially owned by the Chargor;
- (a) any dividend, interest or other distribution paid or payable in relation to any of the Shares; and
- (b) any right, money, shares or property accruing, offered or issued at any time in relation to any of the Shares by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

Subordinated Debt Documents means any document evidencing or recording the terms of any Subordinated Liabilities.

Subordinated Liabilities means all present and future obligations and liabilities of the Borrower (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become, due, owing or payable to the Chargor, including, without limitation, under the Subordinated Debt Documents.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)

Tax Deduction means a deduction or withholding for or on account of Tax from a payment to a Secured Party

1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:

- (i) a Finance Document or Transaction Document or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) any rights in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and
 - (C) all powers, remedies, causes of action, security, guarantees and indemnities,in each case in respect of or derived from that asset;
 - (iii) any share, stock, debenture, bond or other security or investment includes:
 - (A) any dividend, interest or other distribution paid or payable;
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,in each case in respect of that share, stock, debenture, bond or other security or investment; and
 - (iv) the term "**this Security**" means any Security created by this Deed.
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any other agreement or instrument between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition, or any agreement for the disposition, of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.

1.3 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Security Agent may have executed it under hand only.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

2 CREATION OF SECURITY

2.1 General

- (a) The Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.
- (b) All the security created under this Deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of the Chargor to the extent such assets are or are purported to be the subject of this Security;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (a) If the granting of any Security in respect of any Security Asset is prohibited:
 - (i) the Chargor must notify the Security Agent promptly;
 - (ii) (A) if the Security Asset constitutes a right under any contract, this Security will constitute security over all proceeds and other amounts which the Chargor may receive, or has received, under

the relevant contract but will exclude the Chargor's other rights under that contract; and

- (B) otherwise, the Chargor shall hold that Security Asset in trust for the Security Agent;
- (iii) unless the Security Agent otherwise requires, the Chargor must:
 - (A) in respect of any consent or waiver required for the granting of Security in respect of that Security Asset:
 - 1) promptly apply for such consent or waiver; and
 - 2) if such consent or waiver is not to be unreasonably withheld, use reasonable endeavours to obtain such consent or waiver;
 - (B) in respect of any condition required to be met or satisfied for the granting of Security in respect of that Security Asset, use its reasonable endeavours to promptly satisfy the relevant condition; and
 - (C) in all cases, keep the Security Agent informed of the progress in respect of such consent, waiver or condition; and
- (iv) if the Chargor obtains the required consent or waiver or satisfies the relevant condition:
 - (A) the Chargor must notify the Security Agent promptly; and
 - (B) that Security Asset will immediately be secured in accordance with Clause 2.2 (*Land*) to Clause 2.10 (*Floating charge*) as appropriate.

- (b) The Security Agent holds this Security on trust for the Secured Parties.

2.2 Shares

The Chargor charges by way of a first fixed charge its interest in the Shares.

2.3 Subordinated Liabilities

- (a) The Chargor assigns absolutely, subject to a proviso for re-assignment on redemption:
 - (i) all its rights under and in connection with the Subordinated Liabilities; and

- (ii) the benefit of each Subordinated Debt Document and the benefit of all other agreements, instruments and rights relating to the Subordinated Liabilities.
- (b) To the extent that they have not been effectively assigned under paragraph (b) above, each Chargor charges by way of a first fixed charge all of its rights listed under paragraph (a) above.

2.4 Charged Security Documents

The Chargor charges by way of a first fixed charge the proceeds of enforcement only, under any Charged Security Document.

2.5 Limited recourse

Notwithstanding any other provision under this Deed, it is expressly agreed and understood that:

- (a) the sole recourse of the Security Agent to the Chargor under this Deed is to the Chargor's interest in the Security Assets;
- (b) the liability of the Chargor to the Security Agent pursuant to or otherwise in connection with the Finance Documents shall be limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed with respect to its Security Assets; and
- (c) nothing in this clause shall limit the recourse to a Chargor in respect of any breach of an obligation or representation given by that Chargor under this Deed of any wilful misconduct and/or fraud of that Chargor.

Subject to clause 8 (*Tax gross up*), the Chargor's aggregate liability under this Deed in respect of the Charged Security Documents shall be limited to an amount equal to £2,500,000 less the aggregate amount of (X) all Morton Enforcement Proceeds which have been applied in prepayment of the Loans and (Y) Cost Overruns funded since the date of this Deed.

3 LIABILITY OF THE CHARGOR AND SECURITY AGENT'S PROTECTIONS

3.1 Liability not discharged

The Chargor's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Liabilities;

- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Security Agent may now or after the date of this Deed have from or against the Borrower, a Chargor, any Transaction Obligor or any other person in connection with the Secured Liabilities;
- (c) any act or omission by the Security Agent or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Borrower, any Transaction Obligor, a Chargor or any other person;
- (d) any termination, amendment, variation, novation or supplement of or to any of the Secured Liabilities;
- (e) any grant of time, indulgence, waiver or concession to the Borrower, any Transaction Obligor, a Chargor or any other person;
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, any Transaction Obligor, a Chargor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, the Borrower, any Transaction Obligor, a Chargor or any other person in connection with the Secured Liabilities;
- (h) any claim or enforcement of payment from the Borrower, any Transaction Obligor, a Chargor or any other person; or
- (i) any other act or omission which would not have discharged or affected the liability of a Chargor had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge a Chargor or otherwise reduce or extinguish its liability under this Deed.

3.2 Immediate recourse

The Chargor waives any right it may have to require the Security Agent:

- (a) to take any action or obtain judgment in any court against any other person;
- (b) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of any other person; or
- (c) to make demand, enforce or seek to enforce any claim, right or remedy against or any other person

before taking steps to enforce any of its rights or remedies under this deed.

3.3 Non-competition

The Chargor warrants to the Security Agent that it has not taken or received, and shall not take, exercise or receive the benefit of any rights from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this Deed but:

- (a) if any of the Rights is taken, exercised or received by the Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Chargor on trust for the Security Agent for application in or towards the discharge of the Secured Liabilities under this deed; and
- (b) on demand by the Security Agent, that Chargor shall promptly transfer, assign or pay to the Security Agent all Rights and all monies from time to time held on trust by that Chargor under this Clause 3.3.

4 REPRESENTATIONS

The Chargor makes the representations and warranties set out in this Clause 4 (*Representations*) to the Security Agent as trustee for itself and on behalf of each of the other Secured Parties, on the date of this Deed.

4.1 Status

- (a) It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

4.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations and this Deed is, and will continue to be, effective security overall and every part of the Security Assets in accordance with its terms.

4.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

4.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by it.

4.5 Validity and admissibility in evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
- (b) to make this Deed admissible in evidence in its jurisdiction of residency

have been obtained or effected and are in full force and effect.

4.6 No filing or stamp taxes

It is not necessary to file, record or enrol this deed with any court or other authority or pay any stamp, registration or similar taxes in relation to this deed or any transaction contemplated by it.

4.7 Insolvency

- (a) The Chargor is not:
 - (i) insolvent or unable to pay its debts within the meaning of the insolvency legislation applicable to the Chargor; and
 - (ii) has stopped paying its debts as they fall due.
- (b) No step has been taken in any jurisdiction to initiate any process by or under which:
 - (i) the ability of the creditors of the Chargor to take any action to enforce their debts is suspended, restricted or prevented;
 - (ii) some or all of the creditors of the Chargor accept, by agreement or in pursuance of a court order, an amount less than the sums owing to them in satisfaction of those sums with a view to preventing the dissolution of the Chargor;
 - (iii) a person is appointed to manage the affairs, business and assets of the Chargor on behalf of their creditors; or

- (iv) the holder of a charge over all or any of the assets of the Chargor is appointed to control the business and/or all or any assets of the Chargor.
- (c) No process has been initiated which could lead to the Chargor being dissolved and its assets being distributed among their creditors, shareholders or other contributors.
- (d) No distress, execution or other process has been levied or enforced on, and no creditor or encumbrancer has taken control of, any goods or assets of the Chargor.

4.8 Governing law and enforcement

- (a) The choice of English law as the governing law of this Deed will be recognised and enforced in its jurisdiction of residency.
- (b) Any judgment obtained in England in relation to this Deed will be recognised and enforced in its jurisdiction of residency.

4.9 Shares

- (a) The Shares are fully paid and are not subject to any option to purchase or similar rights.
- (b) The Shares represent the whole of the issued share capital of an issuer of any Security Assets and no person has any option, warrant or other similar right to subscribe for any shares of an issuer of any Security Assets.
- (c) The Chargor is the sole legal and beneficial owners of the Security Assets.
- (d) The constitutional documents of an issuer of any Security Assets do not:
 - (i) restrict or inhibit any transfer of the Shares on creation or enforcement of the security constituted by this Deed; or
 - (ii) contain any rights of pre-emption.
- (e) The Chargor has complied with all notices relating to all or any of the Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (f) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued or received under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Shares.

4.10 No proceedings pending or threatened

As at the date of this Deed, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency, have been started against it or, to the best of the Chargor's knowledge and belief, been threatened against it.

4.11 No Security

The Security Assets are free from any Security other than the Security created by this Deed and the Security constituted by the security agreement dated 17 April 2020 and the security agreement dated 24 December 2021 each made by the Chargor in favour of the Security Agent.

4.12 No adverse claims

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Security Assets or any interest in them.

4.13 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Security Assets.

4.14 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Security Assets.

4.15 No interference in enjoyment

No facility necessary for the enjoyment and use of the Security Assets is subject to terms entitling any person to terminate or curtail its use.

4.16 Avoidance of Security

No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

4.17 No prohibitions or breaches

The entry into this Deed by the Chargor does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Chargor or its assets.

4.18 Enforceable security

This Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor and is and will continue to be effective security over all and every part of the Security Assets in accordance with its terms.

4.19 Repetition

The representations and warranties set out in Clause 4.1 (*Binding obligations*) to Clause 4.18 (*Enforceable security*) are deemed to be repeated on each date referred to in Clause 17.27 (*Repetition*) of the Facility Agreement.

5 INFORMATION UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 5 to the Security Agent (as trustee for itself and for the benefit of each other Secured Party) for the continuance of the Security Period.

5.1 Information

The Chargor shall:

- (a) promptly following receipt, send to the Security Agent copies of any notice, circular, report, accounts and any other document received by it that relates to the Security Assets;
- (b) promptly, upon request, give the Security Agent such other information concerning the Security Assets as the Security Agent may reasonably require;
- (c) promptly notify the Security Agent in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Security Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Security Agent's prior approval, implement those proposals at its own expense.

5.2 Notification of misrepresentation and breaches

The Chargor shall, promptly on becoming aware of any of the same, notify the Security Agent in writing of:

- (a) any representation or warranty set out in Clause 4 (*Representations*) which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant or undertaking set out in this Deed.

6 UNDERTAKINGS

The Chargor makes the undertakings set out in this Clause 6 to the Security Agent (as trustee for itself and for the benefit of each other Secured Party) for the continuance of the Security Period.

6.1 Authorisations

The Chargor shall:

- (a) comply with the requirements of any law and regulation relating to or affecting the Security Assets or the use of it or any part of them; and
- (b) obtain, and promptly renew from time to time, and comply with the terms of all Authorisations that are required in connection with the Security Assets or their use or that are necessary to preserve or renew any Security Asset.

6.2 Negative pledge

Except as expressly allowed under the Facility Agreement or this Deed, the Chargor must not create or permit to subsist any Security on any Security Asset, other than the Permitted Security and the Security constituted by the security agreement dated 17 April 2020 and the security agreement dated 24 December 2021 each made by the Chargor in favour of the Security Agent.

6.3 Preservation of Security Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might reasonably be expected to depreciate, jeopardise or otherwise prejudice the security held by the Security Agent, or materially diminish the value of any of the Security Assets or the effectiveness of the security created by this Deed.

6.4 Compliance with laws and regulations

The Chargor shall comply in all material respects with all applicable Laws and regulations (including, for the avoidance of doubt, health and safety laws).

6.5 Chargor waiver of set-off

The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Chargor under this Deed).

6.6 Payment of outgoings

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Security Assets and, promptly on demand, produce evidence of payment to the Security Agent.

6.7 Notice of misrepresentations and breaches

The Chargor shall, promptly on becoming aware of any of the same, give the Security Agent notice in writing of:

- (a) any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Deed.

6.8 Nominations

- (a) The Chargor shall immediately terminate all nominations it may have made in respect of any Security Asset and, pending such termination, procure that any person so nominated:
 - (i) does not exercise any rights in respect of any Security Asset without the prior written approval of the Security Agent; and
 - (ii) immediately upon receipt by it, forward to the Security Agent all communications or other information received by it in respect of any Security Asset for which it has been so nominated.
- (b) The Chargor shall not, during the Security Period, exercise the right to nominate any person other than the Security Agent to enjoy or exercise any right relating to the Security Assets.

6.9 Pre-emption rights and restrictions on transfer

Each Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of any Transaction Obligor, for the transfer of the Security Assets to the Security Agent or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption on transfer provisions) under the articles of association, other constitutional document or otherwise of any Transaction Obligor in any manner that the Security Agent may require in order to permit the transfer of the Security Assets to the Security Agent or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.

6.10 Deposit

Each Chargor must immediately, or in relation to Shares acquired after the date of this Deed must immediately thereafter:

- (a) deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to the Shares; and
- (b) execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in order to enable the Security Agent or its nominees, following circumstances where the terms of this Deed become enforceable, to be registered as the owner of or otherwise obtain a legal title to its Shares at any time and without notice to the Chargor.

6.11 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any of its Shares in accordance with the Facility Agreement.
- (b) If a Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any of its Shares on behalf of the Chargor. The Chargors must immediately on request reimburse the Security Agent for any payment made by the Security Agent under this Clause 6.11 (*Calls*).

6.12 Other obligations in respect of the Shares

- (a) Each Chargor must promptly send a copy to the Security Agent of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of its Shares. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Shares.
- (c) The Security Agent is not obliged to:
 - (i) perform any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any of the Shares.

6.13 Changes to rights

- (a) No Chargor shall take, or allow the taking of, any action on its behalf which may result in the rights attaching to, or conferred by, all or any of the Security Assets being altered.
- (b) No Chargor shall cause or permit:
 - (i) any of the Security Assets to be consolidated, sub-divided or converted;
 - (ii) the other shares of each issuer of the Shares to be re-organised, exchanged or repaid; or
 - (iii) any further shares in the share capital of an issuer of the Shares to be issued.

6.14 Compliance with Requests for Information

Each Chargor shall promptly copy to the Security Agent and comply with all requests for information which are made under the Companies Act 2006 (including, without limitation, under sections 790D and 790E of the Companies Act 2006) relating to all or any part of the Security Assets. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of a Chargor.

6.15 Voting rights

- (a) Before this Security becomes enforceable:
 - (i) the voting rights, powers and other rights in respect of its Shares will be exercised:
 - (A) by the Chargors; or
 - (B) if exercisable by the Security Agent, in any manner which the Chargors may direct the Security Agent in writing; and
 - (ii) all dividends, distributions or other income paid or payable in relation to any of its Shares must be paid in accordance with the terms of the Finance Documents.
- (b) The Chargors must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of any of its Shares as permitted by this Deed on the direction of the Chargors (or any of them).

- (c) After this Security has become enforceable, the Security Agent may exercise (in the name of the Chargors and without any further consent or authority on the part of a Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Shares, any person who is the holder of any Shares or otherwise.

6.16 Subordinated Debt Documents

- (a) The Chargors shall not, unless the Security Agent agrees otherwise in writing:
 - (i) amend or vary or agree to any change in, or waive any requirement of;
 - (ii) settle, compromise, terminate, rescind or discharge (except by performance); or
 - (iii) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to any Subordinated Debt Document or other person in connection with,

any Subordinated Debt Document or any other document, agreement or arrangement comprising the Security Assets.
- (b) The Chargors shall, unless the Security Agent agrees otherwise in writing, comply with the terms of any Subordinated Debt Documents and any other document, agreement or arrangement comprising the Security Assets.

6.17 Notices – Charged Security Contracts

The Chargor must following an Event of Default:

- (a) promptly at the request of the Security Agent serve a notice of charge, substantially in the form of Part A of Schedule 1 of (*Form of Notice*), on the Grantor; and
- (b) use reasonable endeavours to ensure that such party acknowledges that notice, substantially in the form of Part A of Schedule 1 (*Form of Notice*).

6.18 Notices – Subordinated Debt Documents

The Chargor must:

- (a) promptly following the request by the Security Agent serve a notice of assignment or charge (as applicable), substantially in the form of Part A of Schedule 1 of (*Form of Notice*), on the Borrower; and
- (b) use reasonable endeavours to ensure that such party acknowledges that notice, substantially in the form of Part B of Schedule 1 (*Form of Notice*).

7 POWERS OF THE SECURITY AGENT

7.1 Power to remedy

- (a) The Security Agent shall be entitled (but shall not be obliged) to remedy, at any time, a breach by a Chargor of any of its obligations contained in this Deed and the Chargor irrevocably authorises the Security Agent and its agents to do all things that are necessary or desirable for that purpose.
- (b) Any monies expended by the Security Agent in remedying a breach by a Chargor of its obligations contained in this Deed shall be reimbursed by the Chargor to the Security Agent on demand on a full indemnity basis and shall carry interest in accordance with Clause 14 (*Expenses and indemnity*).

7.2 Exercise of rights

- (a) The rights of the Security Agent under Clause 7.1 (*Power to remedy*) are without prejudice to any other rights of the Security Agent under this Deed.
- (b) The exercise of any rights of the Security Agent under this Deed shall not make the Security Agent liable to account as a mortgagee in possession.

7.3 Security Agent has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Security Agent in relation to any of the Security Assets whether or not it has taken possession of any Security Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

7.4 No duties

The Security Agent shall not, in respect of any of the Security Assets, have any duty or incur any liability for:

- (a) ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Security Asset or the nature or sufficiency of any payment whether or not the Security Agent has or is deemed to have knowledge of such matters; or
- (b) taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Security Assets.

7.5 Indulgence

The Security Agent may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a Party (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Chargor for the Secured Liabilities.

8 TAX GROSS-UP

- 8.1 The Chargor shall make all payments to be made by him under this Deed without any Tax Deduction, unless a Tax Deduction is required by law.
- 8.2 If a Tax Deduction is required by law to be made by the Chargor, the amount of the payment due from the Chargor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- 8.3 If the Chargor is required to make a Tax Deduction, the Chargor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 8.4 The Chargor shall deliver to the Security Agent evidence reasonably satisfactory to the Security Agent that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

9 WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs.

9.2 Discretion

After this Security has become enforceable, the Security Agent may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the Facility Agreement.

9.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10 ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or section 100 of the Act.

10.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 Privileges

The Security Agent and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

10.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his/her agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

10.5 Redemption of prior Security

- (a) At any time after this Security has become enforceable, the Security Agent may:

- (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

10.7 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
 - (ii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it,

and each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

11 RECEIVER

11.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests to the Security Agent at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 Removal

The Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

- (b) The Security Agent will not incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 Relationship with **Security Agent**

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

12 **POWERS OF RECEIVER**

12.1 **General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 12 in addition to those conferred on it by any law. This includes the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 **Possession**

A Receiver may take immediate possession of, get in and realise any Security Asset.

12.3 **Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

12.4 **Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.

12.5 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

12.6 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

12.7 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

12.8 Delegation

A Receiver may delegate his/her powers in accordance with this Deed.

12.9 Lending

A Receiver may lend money or advance credit to any person.

12.10 Other powers

A Receiver may:

- (a) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- (b) use the name of the Chargor for any of the above purposes.

13 APPLICATION OF PROCEEDS

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with the Facility Agreement. This Clause 13:

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

14 EXPENSES AND INDEMNITY

The Chargor must:

- (a) within 5 Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by the Security Agent in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and
- (b) keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

15 DELEGATION

15.1 Power of Attorney

The Security Agent or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by it under this Deed.

15.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent or that Receiver (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

15.3 Liability

Neither the Security Agent nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

16 FURTHER ASSURANCES

- (a) The Chargor must promptly, at its own expense, take whatever action the Security Agent or a Receiver may require for:
 - (i) creating, perfecting or protecting any security over any Security Asset; or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes:

- (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Security Agent or to its nominees; or
- (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may consider necessary or desirable.

17 POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which may be required or which any attorney may in its absolute discretion deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 17.

18 MISCELLANEOUS

18.1 Continuing Security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

18.2 Tacking

The Security Agent must perform its obligations under the Facility Agreement (including any obligation to make available further advances).

18.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with a Chargor.
- (b) If a Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.

- (c) As from that time all payments made to a Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

19 RELEASE

At the end of the Security Period, the Finance Parties must, at the request and cost of the Chargor, take whatever action is necessary to promptly release its Security Assets from this Security.

20 GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

Schedule 1Form of NoticePart ANotice to Counterparty

To: [Contract Counterparty]

Copy: Heritage Square Limited

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and Heritage Square Limited (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we have charged by way of a first fixed charge to Heritage Square Limited (the "**Security Agent**") all our rights in respect of all of your present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become, due, owing or payable to us and any document evidencing or recording the terms of such obligations and liabilities.

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices and make payments under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given and payments must be made to, the Security Agent or as it directs.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [address] with a copy to us.

Yours faithfully,

.....

[Chargor]

Part BAcknowledgement of Counterparty

To: Heritage Square Limited

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [●] between [Chargor] and Heritage Square Limited (the "Security Agreement")

We confirm receipt from [insert entity] (the "**Chargor**") of a notice dated [●] (the "**Notice**") of a charge on the terms of the Security Agreement of all the Chargor's rights in respect of any present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatever) which are, or are expressed to be, or may become, due, owing or payable by us to the Chargor us and any document evidencing or recording the terms of such obligations and liabilities.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the Notice; and
- (b) will give notices and make payments under the Contract as directed in the Notice.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

(Authorised signatory)

CHARGOR

Occupation

Programme Director

-3D1F7BAE3452460: